

## Message Text

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17 15  
ACTION NEA-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-11 INR-10 LAB-06

NSAE-00 RSC-01 SIL-01 DODE-00 PM-07 H-03 L-03 NSC-10

PA-04 PRS-01 SPC-03 SS-20 USIA-15 ACDA-19 IO-14 INT-08

SCEM-02 OMB-01 TRSE-00 DRC-01 /153 W  
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R 200420Z NOV 73  
FM AMEMBASSY KUWAIT  
TO SECSTATE WASHDC 8124  
INFO AMEMBASSY BEIRUT

LIMITED OFFICIAL USE KUWAIT 4076

E.O. 11652: N/A  
TAGS: ELAB KU  
SUBJ: AMINOIL, UNION SIGN NEW CONTRACT

REF: A) KUWAIT A-117; B) KUWAIT 3971

1. U.S. OWNED AMINOIL AND AMINOIL WORKERS UNION SUDDENLY SETTLED THEIR LONG-STANDING DIFFERENCES AND SIGNED NEW THREE-YEAR CONTRACT, DETAILS OF WHICH RELEASED NOV 18. NEW PACT EFFECTIVE NOV 1, 1973, ALTHOUGH NEW SCHEDULE SOCIAL ALLOWANCES RETROACTIVE APRIL 1, 1972. IN ADDITION CLAUSES CHANGING STATUS CERTAIN WORKERS AND ESTABLISHING NEW, SIGNIFICANTLY HIGHER BASE PAY SCHEDULES, AGREEMENT CONTAINS CLAUSE THAT NO ADDITIONAL DEMANDS WILL BE MADE ON COMPANY FOR PAY INCREASES FOR THREE YEARS.

2. AMINOIL THUS INCREASES ITS LEAD AS HIGHEST PAYING MAJOR EMPLOYER IN KUWAIT. ALTHOUGH AMINOIL PROFITABILITY CONSIDERABLY LOWER THAN MOST OTHER GULF PRODUCERS, MANAGEMENT BELIEVES CAN LIVE WITH NEW AGREEMENT AND IS PROBABLY BETTER OFF BY TRADING OFF HIGHER WAGE BILL FOR PROMISE OF INCREASED STABILITY.

3. AMCIT AMINOIL GENERAL MANAGER, LARRY ISON, TOLD EMBOFF HE  
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DOES NOT RPT NOT HONESTLY BELIEVE AGREEMENT RESULT GOK PRESSURE

ON UNION. SAYS AGREEMENT CAME ABOUT BECAUSE LOCAL UNION LEADERS FINALLY DECIDED IT IN THEIR INTEREST SIT DOWN AND NEGOTIATE SERIOUSLY AND CONSTRUCTIVELY. ISON SAYS THAT AFTER THIS CHANGE IN ATTITUDE BECAME APPARENT, NEGOTIATIONS WENT QUICKLY WITH BOTH SIDES GIVING AND TAKING.

4. IN IMPORTANT NOTE THAT THESE FINAL, FRUITFUL NEGOTIATIONS CARRIED OUT ON LABOR SIDE BY LOCAL RPT LOCAL UNION, WITH NO PARTICIPATION BY EITHER FEDERATION OIL WORKERS UNIONS OR CONFEDERATION KUWAITI UNIONS. ACCORDING ISON, LOCAL UNION LEADERS BECAME DISILLUSIONED WITH FEDERATION AND CONFEDERATION LEADERS AND ADVISORS, GREW TIRED OF MIXING BREAD AND BUTTER WITH POLITICS, AND INSISTED ON RUNNING THEIR OWN NEGOTIATIONS WITHOUT FURTHER INTERFERENCE FROM ABOVE.

5. COMMENT: IN SPITE OF ISON'S RATHER UNCHARACTERISTICALLY CHARITABLE VIEW OF FACTORS LEADING TO SETTLEMENT, IT DIFFICULT NOT TO SEE THE FINE HAND OF GOK INVOLVED. WE CANNOT SEE THE FEDERATION OR CONFEDERATION ALLOWING THEMSELVES TO BE DICTATED TO BY LESS COMPETENT, SUBORDINATE LOCAL, EXCEPT UNDER DURESS OR AS PART OF LARGER DEAL POSSIBLY INVOLVING BROAD RANGE OF UNION POWERS AND PRIVILEGES. INTERESTING THAT KUWAIT'S LEFTIST CONTROLLED PRESS REPORTED STORY BY SIMPLY GIVING ISON'S PRESS RELEASE, WITHOUT ATTRIBUTION AS SUCH AND WITHOUT FURTHER COMMENT, WITH EXCEPTION BRIEF RELATIVELY OBJECTIVE BACKGROUND GIVEN BY ENGLISH-LANGUAGE "KUWAIT TIMES".  
MCCLELLAND

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGREEMENTS, LABOR STRIKES, PETROLEUM REFINING  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 NOV 1973  
**Decaption Date:** 01 JAN 1960  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973KUWAIT04076  
**Document Source:** CORE  
**Document Unique ID:** 00  
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**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** KUWAIT  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1973/newtext/t19731123/aaaaaqqt.tel  
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**Original Handling Restrictions:** n/a  
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**Reference:** A) KUWAIT A-117; B) KUWAIT 3971  
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**Review Date:** 02 JAN 2002  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** AMINOIL, UNION SIGN NEW CONTRACT  
**TAGS:** ELAB, KU  
**To:** STATE  
**Type:** TE  
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